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Second regional cooperation framework for Latin America and the Caribbean (2001-2005)

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Introduction

1. The second regional cooperation framework (RCF) for Latin America and the Caribbean, is an instrument for UNDP to promote sustainable human development in Latin America and the Caribbean and to reaffirm its role towards achieving the United Nations Millennium Declaration commitment to halve the number of people living in extreme poverty by 2015. The RCF represents the policy framework within which UNDP will undertake activities in areas of priority concern to the countries in response to the aggregated regional demands and priorities; it also serves as an interface between national, regional and global issues. It will contribute to shifting the role of UNDP in the region further towards the provision of knowledge-based advisory services; institutional strengthening; facilitation of multi-stakeholder consensus-building; advocacy work; and demonstration projects. These functional areas will underpin interventions in three priority thematic areas in line with the Administrator's Business Plans, 2000-2003: poverty reduction; democratic governance; and energy and climate change. The RCF will also incorporate three cross-cutting themes: gender and development; information and communication technology for development; and human development at the local level.

2. UNDP has consulted widely with a range of stakeholders in preparing the second RCF with a view to determining the development priorities, achieving consensus on its guidelines and ultimately securing broad-based ownership for the regional programme. The main points of reference have been the review of the first RCF, the analysis of the demand as reflected in the strategic results frameworks (SRFs) and the results-oriented annual report (ROAR) from countries in the region. In addition, the subregional cooperation framework for Barbados and the Organization of East Caribbean States (DP/SCF/CAR/1) countries has been used as another important source. Several Governments were consulted through their permanent missions to the United Nations and their focal points for international cooperation. The draft of the RCF was discussed with some regional institutions and with various non-governmental organizations (NGOs). UNDP country offices participated throughout the process. The first CCF was extended until December 2000 with the aim of presenting the second CCF to the Board in 2001. However, the extensive consultative process, involving all the major stakeholders, lasted longer than originally planned, delaying submission until the current session. In the meantime, RCF activities continued to address priority areas.

3. The core resources allocation for the second RCF is $16.9 million which represents less than 50 per cent of the yearly core allocation funding for the first RCF. Given the financial constraints on core resources, the promotion of partnerships and non-core resource mobilization is imperative for attaining the expected results of the regional programme.

I. Development situation in the region

4. After the lost decade of the 1980s, the majority of Latin American economies resumed growth during the first half of the 1990s but were hit by the repercussions of the South-east Asian financial crisis, which started in 1997, experiencing a setback at the end of the decade with uneven results. The region's gross domestic product (GDP) increased by an estimated 3.8 per cent in 2000 compared with 2.3 per cent in 1998 and 0.3 per cent in 1999. There were, however, significant differences; for example, in the English-speaking Caribbean, very few countries showed any meaningful growth over this period. During the 1990s, most countries implemented trade and financial liberalization policies based on the prevailing idea that they were efficient strategies for growth in contrast to past excessive trade protection and high levels of State intervention. However, vulnerability and macroeconomic management that emphasized overvalued exchange rates and high interest rates produced low rates of growth. The average in the 1990s was only 3.2 per cent per year, far below the 5.5 per cent record set during the three decades from the 1950s to the 1970s. High levels of debt-servicing and a downturn of the global economy, lower foreign direct investment and shrinking markets for exports constitute major concerns in 2001.

5. These same policies were also thought to be effective means of fully exploiting the opportunities generated by globalization. However, the Asian crisis showed that without an adequate institutional setting, liberalization could be the source of macroeconomic instability. In fact, the Latin American and Caribbean economies turned out to be highly vulnerable to external shocks. In particular, the small size, insularity, narrow resource base and high dependence on

international trade of the Caribbean States exacerbated their vulnerability to external financial vagaries in addition to their susceptibility to natural disasters and global environmental change.

6. The ensuing institutional reforms did not set up mechanisms that guarantee economic competition and ensure access to formal markets by the poor. Although the trend with respect to the incidence of poverty was favourable in the period 1990-1997 compared with the 1980s, the situation worsened in the following years and the absolute figure of 244 million income-poor people in 1999 is the region's highest ever. At the same time, income inequality worsened during the 1990s and is now the highest worldwide.

7. Progress has been achieved in the region in the recognition and protection of women's rights and mainstreaming of gender equality at the policy level. All the countries of the region have adopted conventions affirming women's rights. In several countries, women have joined the political process and benefit from expanding opportunities in the labour market. However, significant challenges remain: domestic violence, trafficking in girls, lack of protection of women in conflict situations, absence of gender equity in the development of poverty-eradication strategies, and unequal access of women to basic services.

8. HIV/AIDS has emerged as a particular challenge for a number of countries in the region. Indeed, the Caribbean now has the highest incidence of cases in the Americas and the fastest growing prevalence rate after sub-Saharan Africa. It has become the leading cause of death in both males and females in the 25-44 age group. It has a disastrous impact on human development, poverty, social cohesion and gender equality in the region. In Central America, the epidemic has spread beyond the high-risk population to the general population and affects women in particular.

9. The consolidation of democratic governance is a challenge to the region. In the past 20 years, the overwhelming majority of countries in Latin America and the Caribbean have adopted democratic political regimes. However, some democracies are fragile and incomplete and are subject to failure. Longstanding poverty, deteriorating patterns of income distribution and personal and social insecurity erode democracy. The sustainability of democracies is linked to the ways in which society resolves the issues of poverty, unemployment and social inequity, incorporates the concerns of minorities, in particular ethnic groups, and ensures enjoyment of fundamental rights. Public opinion polls show that in many countries, people have low confidence in political parties, judicial systems and the police. Political and civil leaders identify corruption as a factor that undermines the credibility and legitimacy of institutions. In several countries, internal conflicts persist and drug trafficking remains a major threat to internal and regional security. High-level leaders and Governments in the region have recognized these problems and have committed themselves to consolidating democratic governance in the region. Civil society organizations, local governments and other actors, assuming new roles, have mobilized in support of democratic processes, leading to a more participatory and inclusive society.

10. Natural resources and global public goods such as water, forest and the environment are overused. One third of the population of the region are poor and live in isolated communities, without access to energy. Energy investments of more than $17 billion per year are increasing the use of fossil fuels. Climate change exacerbates natural disasters with enormous human and economic costs. The 244 million poor of the region are the most vulnerable to climate change and related risks and disasters. Yet, an environmentally sustainable approach has not been fully mainstreamed into development policy.

11. The majority of people and organizations have scant access to the ultimate public good, namely knowledge. With 8 per cent of world population, the region has 3.5 per cent of Internet users and less than 1 per cent of electronic trade, although its Internet market has been projected as the fastest growing for the next years. The digital divide is growing within and between countries of the region. The mainstreaming of information and communication technologies (ICT) in development activities can play a meaningful role in the transformation to a more informed society and a competitive and service-oriented economy and can benefit the poor particularly.

II. Results and lessons from past cooperation

A. Review of past cooperation

12. The findings and recommendations of the first RCF review (DP/RRR/RLA/1) were a valuable input for the formulation of the second RCF. The results of the regional programme ROAR for 1999 and 2000 also provided important data on the performance of the first RCF.

13. *Focus*. The review confirmed that the first RCF focused on relevant thematic areas and was catalytic in introducing strategic issues into the regional agenda. However, the review recommended that UNDP cooperation be further focused on services to be rendered.

14. *Knowledge development*. The regional programme contributed to innovative thinking through research and networking. The most salient results were obtained in poverty reduction, institutional development and climate change. Comparative poverty studies in 17 countries undertaken in partnership with the Economic Commission for Latin America and the Caribbean (ECLAC), the World Bank and the Inter-American Development Bank (IDB), national think tanks and academia, provided knowledge on the relationships between economic policy, poverty and equity. Institutional development was advocated through the creation of the Ibero-American Governance Network in partnership with the *Generalitat* of Catalunya, Spain while surveys in eight countries yielded comparable information on access to justice. In the area of environment, UNDP advocated the concepts of climate change mitigation and adaptation, developed capacities and facilitated exchange of information and knowledge. The programme developed networks of experts in each theme, made use of innovative ICT, and promoted substantive partnerships. A lesson learned is that the impact and sustainability of the programme are hampered if weak links exist with local institutions. It is recommended that these links be strengthened and ICT used more intensively to widen the reach of future programmes and achieve a higher degree of sustainability.

15. *Policy design*. Based on knowledge acquired, the programme provided policy support to the countries in key areas. It facilitated the elaboration of poverty reduction strategies in nine countries, including four countries qualifying for debt reduction under the Highly Indebted Poor Countries (HIPC) initiative, and the beginning of consensus-building processes with civil society and decision-makers. In the area of governance, advice was provided on State and judicial reform, particularly in the fields of constitutional justice, strengthening of public defenders, reform of prison systems and participation of civil society in judicial reform processes. In the area of the environment, UNDP provided support to policies relating to the priorities of the Forum of Ministers of the Environment of Latin America and the Caribbean, in close partnership with United Nations organizations, the development banks and other actors. In the case of the English-speaking Caribbean countries, priority was given to the deepening of their economic integration efforts through the establishment of a single market and economy. The programme supported the Caribbean Community (CARICOM) in the preparation of the nine protocols that are the basis for furthering the regional integration processes and in negotiations with the World Trade Organization and the Free Trade Area of the Americas. A main lesson learned is that UNDP is well positioned at the regional level to provide policy advice in selected areas and that the regional programme has a comparative advantage to act as an interface between national demands and UNDP global development thinking and policy response.

16. *Programme support*. The programme facilitated diagnostic studies and the formulation of eight national projects in judicial systems reform and rule of law, with particular focus on Central America on the basis of a Government of Spain-UNDP $10 million trust fund, as well as the modernization of information systems in Presidencies of the Republic, Supreme Courts, Ministries of Foreign Affairs and the CARICOM Secretariat. Regional environmental projects were implemented through Capacity 21 and the Global Environment Facility (GEF), including the Meso-American Biological Corridor; sustainable management of the Rio de la Plata and its maritime front; sustainable management of Lake Titicaca; renewable energy development in 13 Caribbean countries; and rehabilitation of contaminated bays and coastal areas in Cuba and Jamaica. It also supported subregional strategies for strengthening national capacity for disaster preparedness, emergency response and management systems in the Caribbean, through the Caribbean Disaster Emergency Response Agency, as

well as in Central America through the Coordination Centre for the Prevention of National Disasters in Central America. Lessons learned included the importance of linking regional projects to UNDP national programmes to achieve greater impact and the role that UNDP support can play to the enhancement of multi-hazard contingency planning and improved capacity.

17. *Management and operational issues.* The review found that government sectoral authorities had a sense of ownership of the programme but that the governmental focal points in international cooperation were insufficiently involved in the implementation of the RCF. It is therefore imperative to provide them with up-to-date information to strengthen ownership and improve coordination. UNDP established strong partnerships with development actors (international institutions, civil society, academia and the private sector) that helped to establish joint objectives and improve coordination with the participating countries. Partnerships should be strengthened as well as systematic links established with local institutions. The trend of reducing the number of projects and using new implementation modalities (national and NGO execution) should continue. Coordination across thematic areas, including full mainstreaming of the gender dimension, continues to be a challenge. Regional projects must be conceptualized and implemented with greater emphasis on the results-based management approach.

B. The RCF programme strategy

18. The regional programme strategy is designed according to the recommendations of the review of past regional cooperation, present needs in Latin America and the Caribbean and consultations undertaken in the region. The programme concentrates its resources on critical development areas, strengthens the links to UNDP national and global programmes and defines services to be rendered on the basis of UNDP comparative advantages.

19. *Links to national and global programmes.* The second RCF will emphasize the links to national programmes and act as an interface with the global programme in order to contribute to more integrated UNDP cooperation with the region, aimed at producing higher value added. Synergies with subregional resource facilities (SURFs), policy advisers and GEF experts will be an important component of the new thrust. Regional projects will cover subjects that require a multinational approach and/or benefit from economies of scale.

20. *Strategic areas of support.* The second RCF will concentrate its limited resources to maximize its impact on areas of high regional aggregate demand while being responsive to the specific priority needs of the subregions. The strategic areas of support are: (i) reduction of poverty and inequality; (ii) democratic governance; (iii) energy and climate change. The cross-cutting themes of gender and development, information and communication technology for development, and human development at the local level will be woven throughout the programme.

21. *Services.* A reduced number of projects in each strategic area of support will be implemented to provide services for which UNDP has a clear comparative advantage at the regional level:

(a) *Knowledge generation and knowledge-sharing.* The regional programme will promote learning, generate knowledge and share it with participating countries and beyond. Close ties with national and regional academic centres and think tanks on a few well-targeted issues will strengthen the UNDP knowledge base. UNDP will establish networks aimed at detecting emerging critical issues and cutting-edge responses, to which stakeholders in different countries should be exposed. More than facilitating a number of country-level activities, the programme aims at generating a cumulative process at the regional level;

(b) *Policy advice.* With a strengthened knowledge base, upstream policy advice will be provided, taking advantage of economies of scale. A special effort will be made to codify experiences better and to make available positive and negative lessons learned;

(c) *Support to programmes.* The provision of regional services will focus on expert advice for diagnostic work and for project formulation, both at the subregional and national levels. Two additional service areas are resource mobilization and partnership-building.

22. *Partnerships and mobilization of resources.* Efforts will be undertaken to strengthen partnerships, especially from civil society, academia and the private sector to widen the impact and sustainability of the

programme. The low level of core resources requires that the programme emphasize the mobilization of additional resources. Joint programmes with partners (particularly the development banks, bilateral donors and regional organizations) will allow for the enlargement of the resource base of the programme.

III. Objectives, strategic areas of support and expected results

23. The services that the regional programme will provide in the strategic areas of support are set out below.

A. Strategic area of support 1: Reduction of poverty and inequality

24. The aim is to contribute to the attainment of the goals agreed upon at the World Summit on Social Development (1995) and ratified at the Millennium Summit: halving the number of persons in extreme poverty by 2015, with 1999 as the base year. In this connection, UNDP will deepen the work that it has been carrying out in partnership with the development banks, ECLAC, national think tanks and academic institutions, for which there is a growing demand from the countries.

25. *Knowledge-sharing.* The programme seeks to contribute to make available poverty/inequality figures at regular intervals. Household surveys on living standards will be supported in five countries. The poverty and inequality measurements will provide the basis for permanent monitoring of the effectiveness of policies for poverty and inequality reduction. The programme will deepen comparative studies in 17 countries for yielding new insights for formulating macroeconomic policies that further growth with stability and reduce poverty and inequality. The existing regional network of 35 specialists will be strengthened to include specialists and institutions from the Caribbean, allowing the creation of knowledge on issues of high priority in the policy agenda of the region and comparison of experiences. Expected results will include better data on poverty disaggregated by gender and other variables, increasing the coverage from 60 per cent to 80 per cent of the population of the region, as well as increased knowledge on the relationships between poverty, social inequality and economic policy.

26. *Advice for policy formulation.* The work initiated in 11 countries will be expanded according to requests and availability of financial resources to support them in the design and evaluation of their national poverty reduction strategies and in the consensus-building processes necessary for their approval and sustainability. In the case of highly indebted poor countries, it will support the formulation and approval of Poverty Reduction Strategy papers (PRSP), on the basis of providing independent, second opinions and strengthening national capacities to analyse, design and monitor the strategies. These services are coordinated with the Bretton Woods institutions and the IDB. Expected aggregate results will be national poverty-reduction strategies designed and agreed upon in at least eight countries in the region.

27. *Support to programmes.* Based on policy decisions, UNDP will support the formulation of programmes for implementing strategies to combat poverty and inequality. Particular issues will be incorporated, such as improvement in the quality and efficiency of social services and the establishment of permanent targeting systems. Likewise, the programme will support subregional initiatives of common poverty assessments as the background for regional-based poverty-reduction efforts in all countries of Central America and the Caribbean, in collaboration with regional organizations and academic institutions. In the English-speaking Caribbean, the Caribbean Technical Assistance Centre, an International Monetary Fund/CARICOM/UNDP initiative, funded with $13 million will assist in the strengthening of financial statistics.

28. *HIV/AIDS.* In the context of poverty-reduction strategies and in close coordination with UNAIDS and regional institutions, the programme will contribute to a more integrated and expanded response to the HIV/AIDS epidemic. The regional programme seeks to help the affected countries manage the crisis and work towards achieving the global development goal of reducing HIV prevalence in persons 15-24 years old by 25 per cent by 2010. It will do so by advocacy, supporting efforts to improve data, undertaking impact assessments, policy dialogue as well as the formulation of legal and regulatory frameworks and budgeting to increase national resources allocated to HIV/AIDS prevention and care. UNDP will play a key role within

the framework of the Pan-Caribbean Partnership on HIV/AIDS to provide policy advice and support to implement the regional strategic plan. Collaborative action will be undertaken with other partners for organizing information campaigns, dissemination of best practices, monitoring national responses and promotion of the participation of local authorities. UNDP will mobilize resources, in particular through the UNDP HIV/AIDS Thematic Trust Fund.

B. Strategic area of support 2: Democratic governance

29. The aim is to contribute to the region's efforts to strengthen democracy as a political regime and social organization, geared to human development.

30. *Knowledge generation and knowledge-sharing.* A report on the state of democracy in Latin America will be produced to make a contribution to the analysis of existing democracies and building consensus around a policy agenda. The report will be produced by the joint effort of academics and political and social actors in the region. The strengthening of the "Latin American Governance Network Information Knowledge System (LAGNIKS)" will make available to decision makers and the public at large a unique database of an average of 1,000 indicators for each country, facilitating exchange and debate, and providing a platform for developing early warning systems for critical situations. UNDP will also help to refine and disseminate methodologies for promoting civil dialogue, such as those used in the War Torn Societies project, the national dialogues in Panama and multi-stakeholder consensus-building, using the scenario planning methodology applied in the project "Vision Guatemala". Substantive partnerships with centres of excellence in the region, in Europe and in North America will strengthen UNDP cooperation in this area. Expected aggregated results will be the use of knowledge in policy decisions; they will be measured by the participation of policy makers and their use of LAGNIKS.

31. *Advice for policy formulation.* UNDP will provide advice in response to demands of Governments to strengthen democracy. The assistance includes support to build consensus on institutional reform and the construction of State development agendas on critical national issues, bringing diverse and competing stakeholders to forge a common ground. Methodologies for promoting civil dialogue will be used in this regard in six countries. LAGNIKS will provide services for diagnostic studies and policy options for institutional reform and development. Partnerships with United Nations organizations and international financial institutions will be deepened. Expected aggregated results are policy advice rendered to Governments and broad consensus achieved, particularly regarding countries in special situations.

32. *Support to programmes.* The regional programme will assist in making best-practice programmes available to other countries upon request: e.g., judicial reform focused on access to justice, as well as rule of law, legal security and security of investments and decentralization. Cost-effective assistance in the modernization of information and management systems and capacity-building of high-level State organizations will be provided in eight countries. Support will also be provided to subregional programmes such as the participation of civil society in the Consultative Council of International American Integration System and integration institutions and constitutional reform in the English-speaking Caribbean.

C. Strategic area of support 3: Energy and climate change

33. The aim is to reduce greenhouse gas emissions and adaptation to climate change while giving poor, remote and disadvantaged groups access to affordable and renewable sources of energy. At the same time, the programme seeks to promote risk management and disaster prevention. UNDP will deepen the work that it has been carrying out in partnership with the development banks, the United Nations Environment Programme, ECLAC, regional institutions, national think tanks and academic institutions, multilateral and bilateral donors and the private sector.

34. *Knowledge generation and knowledge-sharing.* The programme aims at increasing knowledge on energy and climate change. The regional network of specialists will be strengthened and comparative studies will be carried out in eight countries on the basis of the United Nations Framework Convention on Climate Change (UNFCCC) national communications and the Capacity Development Initiative (CDI). The web site www.cdmonline.org for the UNFCCC negotiators of the region will be expanded to additional users. Partnerships resulting in knowledge-sharing will

be promoted, especially with funding from technical cooperation among developing countries.

35. *Advice for policy formulation.* The programme will continue to provide services to increase the capacity of UNFCCC national negotiators. It will support the formulation of a "menu of options" for country participation in the global environmental markets, assessing costs and benefits of revamping the energy and transport sectors, upgrading technology, and/or marketing forest carbon and other environmental services. Adaptation strategies to climate change and cooperation frameworks will be developed with GEF support, with pilots in Central America and the insular Caribbean. Capacity will be developed for vulnerability assessments, regional climate and socio-economic scenarios, and cost-benefit analysis for adaptation options. Other countries of the region, in particular those of the Andean subregion, will receive support in adapting the framework to their specific needs.

36. *Support to programmes.* The programme will promote demonstration projects on renewable energy benefiting 100,000 poor families and programmes for climate-change mitigation and adaptation. It will also promote action on risk assessment and on disaster prevention and reduction, particularly in Central America, the Caribbean and the Andean countries. Poor, vulnerable and isolated communities, especially indigenous people, will benefit from these adaptation and mitigation initiatives. The mobilization of resources will include possible new funding mechanisms such as the future Adaptation Fund and Clean Development Mechanism, and debt-for-nature swaps. Synergies among the global conventions will be promoted through the Capacity Development Initiative and programmes such as the Meso-American Biological Corridor. New UNDP regional initiatives will receive GEF financial support.

Cross-cutting themes

37. **Gender approach**. The regional programme will integrate gender considerations into its approach to poverty reduction, democratic governance, and environmental sustainable development. It will do so in collaboration with other organizations. Emphasis will be placed on improving techniques for gender-disaggregated data collection and analysis, geared in particular to their integration into strategies to diagnose and reduce poverty, including the HIV/AIDS dimension. Expected results of the programme are improved gender-mainstreaming in policy-making and democratic governance initiatives that enhance the political participation of women.

38. *Information technology for development.* The programme will use ICT potential for accelerating social and economic development, and will particularly benefit the poor. In the area of poverty reduction, the use of ICT will facilitate the dissemination of information and improve access to social services, empower communities and help to integrate small-scale producers into the world economy. A strong reliance on knowledge networks through ICT is also designed in the areas of democratic governance (e.g., the LAGNIKS network) and climate change and energy (e.g., networks serving climate change negotiators). At the same time, UNDP is in a position to help diagnose the ICT situation and forecast future needs to help to bridge the digital divide, using the Digital OpportunITy Initiative as well as the Global Network Readiness and Resource Initiative.

39. *Human development at the local level.* In all areas of concentration, analyses and policy programmes will adopt a territorial approach focused on decentralization and local development. The local level allows the integration of social, economic, political, cultural and environmental human development dimensions and the empowerment of citizens through participation. A regional approach can make lessons learned available to the countries and facilitate the sharing of experiences. In the area of poverty reduction, the programme will provide access to the methodologies designed for diagnostics and local action plans at the municipal level. In the area of governance, the thrust will be on increased citizen participation in local development initiatives. The links to national and global programmes, such as the Urban Management Programme, and Capacity 21 will be crucial. The Government of Italy-UNDP Trust Fund will support four national projects through the Antipoverty Partnership Initiative to promote participatory local development and anti-poverty strategies at the local level.

40. The national human development reports (NHDRs), produced in 23 countries of the region, will be used as tools for advocating human development and integrating the various areas of concentration. The RCF will support regional activities to promote a

regional network of exchange and learning, disseminate a training package on human development and stimulate the improvement and use of human development indicators. The effort will be sustained in close coordination with the Human Development Report Office and the Bureau of Development Policy.

IV. Management arrangements

41. The second RCF is a mechanism to fund or provide seed capital for UNDP regional initiatives, to provide policy support to groups of countries taking advantage of economies of scale and to facilitate knowledge-networking within the region. It is also the basis for mobilizing additional non-core resources dedicated to development policy activities in the strategic areas of support described above. At the same time, the RCF is a key instrument for integrating UNDP development policy at the national level with a regional vision and with its global activities consistent with the UNDP Business Plans and the corporate guidelines.

42. A results-based management approach has been incorporated into the regional programme through the strategic results framework and the results-oriented annual report. Their use in the second RCF will allow for more focused results and improved measurements in terms of outcomes to be achieved by UNDP and its partners in each thematic area.

43. Coordination across thematic areas, including full mainstreaming of gender, will be emphasized to make use of potential synergies. Matrix management will be used to ensure integration of the work of policy specialists of the global programme based at headquarters, and in the SURFs of the region. Participation of national experts and centres of excellence in the region will be ensured through full use of knowledge networking. Demand for policy-services from countries will be defined by a thematic SURF board in each area of concentration.

44. The intensive use of ICT will bring about a reduction in transaction costs, will take advantage of UNDP capacity in the field and will enable regional activities to be carried out in a more efficient way. Online information system will allow appropriate follow-up of the RCF implementation by key stakeholders, particularly programme governments, sector authorities, subregional institutions and strategic partners. National focal points for international cooperation will be able to access up-to-date information.

45. RCF project implementation will be fully decentralized. Full use will be made of execution modalities that proved fruitful in the first RCF, relying on regional organizations, NGOs and arrangements through which a single country executes a regional project on behalf of others. The arrangement of Principal Resident Representative will enhance supervision of regional projects in the field.

46. Compliance with monitoring and reporting rules, such as work programmes, annual reports and projects evaluations and audits will be strictly adhered to, and RCF activities will ensure the participation of all relevant stakeholders. The Evaluation Office will manage the mid-term review of the programme. ICT for dissemination of information, input and feedback will be maximized through web sites, online newsletters and electronic messaging and debate.

47. The regional programme will be financed with a core resource allocation of $16.9 million or an average of $3.5 million per year. Core resources will be allocated as follows: (a) reduction of poverty and inequality, 35 per cent; (b) democratic governance, 35 per cent; (c) energy and climate change, 25 per cent; (d) advocacy for human development, 2 per cent; and (e) programme development and monitoring, 3 per cent. The Director of the Regional Bureau will manage these latter resources and report on its use and the Office of Audit and Performance Review will audit the use of resources. Resource mobilization will be crucial for the success and impact of the second RCF.

Annex

Resource mobilization target table for the second regional cooperation framework for Latin America and the Caribbean (2001-2005)

(In thousands of United States dollars)

Source	*Amount*	*Comments*
UNDP core funds		
Estimated carry-over	3 932	
Line 1.2	12 465	
SPPD/STS	500	
Subtotal	**16 897**	
Non-core funds		
Government cost-sharing	350	
Sustainable development funds	27 000	GEF + Capacity 21
Third-party cost-sharing	15 000	
Funds, trust funds and other	200	
Subtotal	**42 550**	
Grand total	**59 447**	

Abbreviations: GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services.